

Office of Gov. Dennis Daugaard 500 E. Capitol Ave. Pierre, S.D. 57501 (605) 773-3212 www.state.sd.us

FOR IMMEDIATE RELEASE: Monday, April 18, 2011 **Contact:** Tony Venhuizen or Joe Kafka, 605-773-3212

EDITORS: CORRECTION: Corrects to say only SB43 contains a suicide clause.

EDITORS: Please consider the following column from Gov. Dennis Daugaard:

Explanation of Referenda

Recently, the paperwork was filed to start gathering petitions to refer two bills that my office sponsored. I wanted to take an opportunity to present factual information on the bills, explaining why I sponsored and approved them. My intent is not to advocate, it is to educate. I would like to provide accurate, factual information on SB38 and SB43.

The two bills in question, SB38 and SB43, prevent the federal government from directly regulating and overseeing our health insurance system. The bills create mechanisms within our state government to put South Dakota into minimum compliance with some provisions of the new federal health care law. Without these two bills, the federal Department of Health and Human Services would be able to enforce their programs with no input from South Dakotans.

One example is a portion of SB43 that establishes a state review whenever an insurance company wishes to increase health insurance rates on small employers. If a state fails to meet minimum federal standards, those rate increases are reviewed by the federal government. SB43 therefore provides for a review to be conducted within the state of South Dakota to determine whether the rate increase was necessary. Without the bill, such a review would be done in Washington, D.C., by federal officials who do not understand the circumstances or values of South Dakotans.

I have publicly stated my opposition to the federal health care reform law and will continue to do so. The state is currently challenging the constitutionality of the federal health care law. When my office drafted SB43, we included a 'suicide clause' that repeals the bill immediately if the health care reform law is found unconstitutional. In addition, I have joined with a group of Governors in working actively to repeal or improve the health care law.

I sponsored and approved SB38 and SB43 in order to keep the federal government out of South Dakota's health care systems as much as possible. If the two laws are removed, federal law will pre-empt state law and the federal Department of Health and Human Services will directly regulate health care here in South Dakota. My intent in sponsoring and signing these laws was to ensure that South Dakotans governed the programs that affected South Dakotans, not the federal government.